

ECONOMIC DEVELOPMENT

Kevin Palmer

MISSION STATEMENT

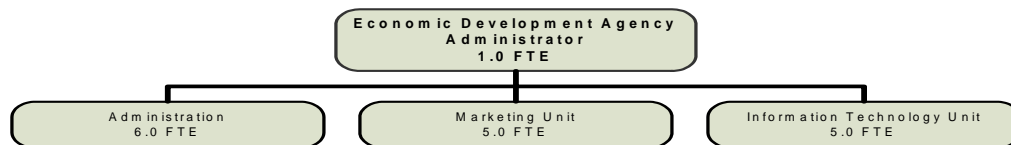
The Economic Development Department fosters sustainable economic growth, opportunities for job creation and revenue enhancement through comprehensive business expansion, attraction, and retention programs and services. The department will create strategic partnerships with public and private entities to enhance global competitiveness and entrepreneurial development.

STRATEGIC GOALS

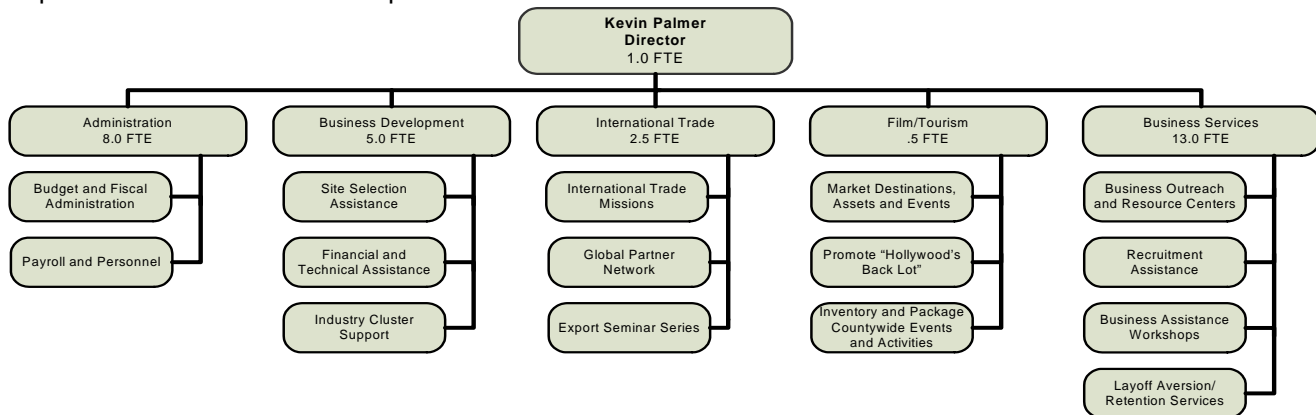
1. Foster job creation, increase private investment and enhance county revenues through the attraction and retention of business.
2. Establish an image of the county as a global and diverse business center in the United States by continuing to development overseas connections, infrastructure and understanding of global markets.
3. Enhance the County of San Bernardino's position as a tourist destination and promote the county as a viable location to make films through branding and marketing.

ORGANIZATIONAL CHART

Economic Development Agency:



Department of Economic Development:



SUMMARY OF BUDGET UNITS

2008-09					
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
General Fund					
Economic Development	6,580,611	80,000	6,500,611		47.0
Total General Fund	6,580,611	80,000	6,500,611		47.0
Special Revenue Funds					
San Bernardino Valley Enterprise Zone	466,015	101,891		364,124	-
Total Special Revenue Funds	466,015	101,891		364,124	-
Total - All Funds	7,046,626	181,891	6,500,611	364,124	47.0

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history, applicable performance measures and policy item requests.

DESCRIPTION OF MAJOR SERVICES

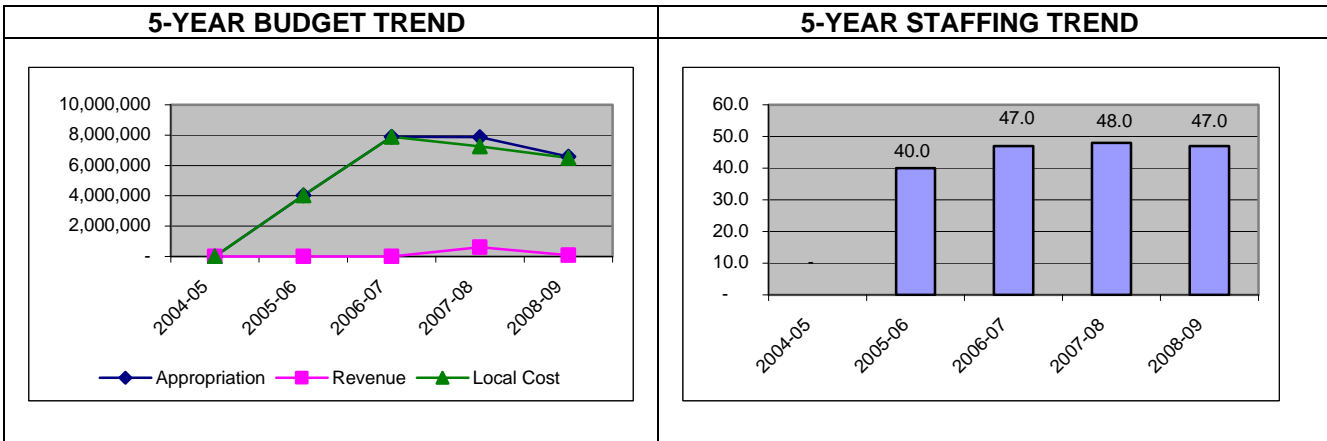
The Department of Economic Development's major goal is to foster job creation, increase private investment and enhance county revenues through the implementation of a countywide economic development strategy. The strategy focuses on maximizing the standard of living of the county's residents, providing economic opportunities for the county's businesses, fostering a competitive environment and positioning the county as a highly competitive region for business opportunities. The strategy will emphasize industry sectors with high-growth potential and offering high paying jobs.

The department spearheads initiatives with local, national and international impact by forming internal and external strategic partnerships with key public and private sector organizations including, but not limited to, the State of California, San Bernardino County cities, the County of Riverside, as well as non-profit development corporations, developers, brokers, site selectors, corporate real estate executives and tenant representatives. Outreach to private sector stakeholders is conducted via a comprehensive media/marketing campaign. Outreach to private sector stakeholders is conducted via a comprehensive media/marketing campaign.

The department also creates and develops necessary support structures to foster a positive, creative and expanding business climate by offering a wide array of economic development programs and services including the following:

- Site Selection Assistance
- Market Analysis and Demographics
- Permitting Assistance
- International Trade Services
- ED Loan Programs
- Enterprise Zone and Program Management
- Small Business Assistance and Technical Support
- Technical assistance and marketing support to county, cities and economic development stakeholders.

BUDGET HISTORY



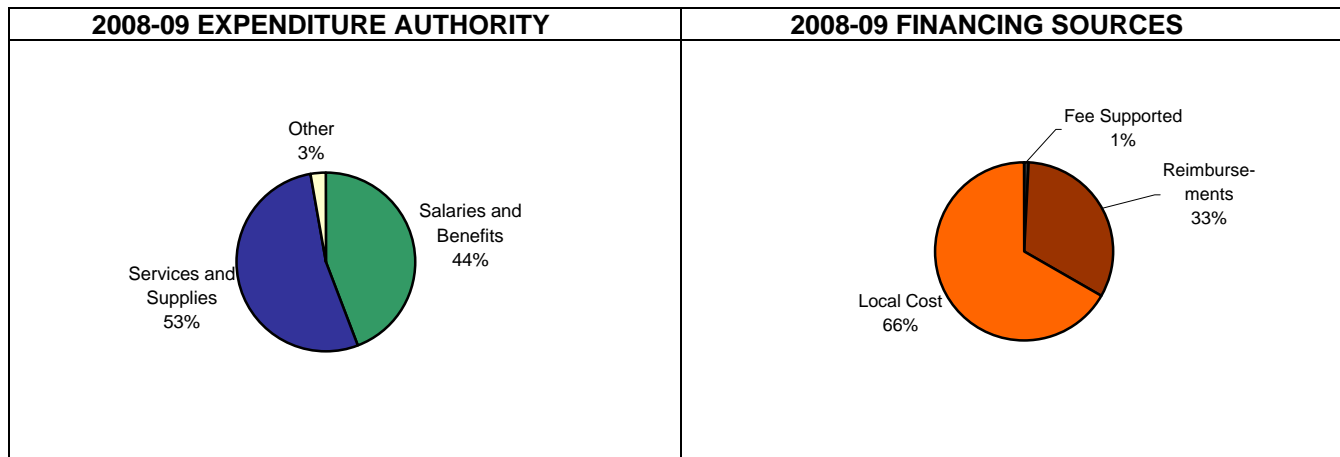
The Department of Economic Development was created as a result of the Board of Supervisor's (Board) approved formation of the Economic Development Agency on May 3, 2005 (Item No. 90). As part of the 2006-07 Budget, the Board approved the carry over of unexpended 2005-06 one-time funding totaling \$1,118,500. In addition, the Board approved approximately \$4.1 million in additional funding (2.0 million one-time funding and \$2.1 million ongoing funding) in order to support an enhanced economic development program. The decrease in local cost in 2008-09 is related to the elimination of one-time funding.

PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Estimate
Appropriation	-	3,112,150	7,084,529	8,356,652	8,051,350
Departmental Revenue	-	43,634	357,883	604,000	720,400
Local Cost	-	3,068,516	6,726,646	7,752,652	7,330,950
Budgeted Staffing				48.0	

Appropriation is lower than modified budget due to salaries savings related to delays in hiring positions.

ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
 DEPARTMENT: Economic Development
 FUND: General

BUDGET UNIT: AAA EDF
 FUNCTION: Public Assistance
 ACTIVITY: Other Assistance

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Estimate	2007-08 Final Budget	2008-09 Proposed Budget	Change From 2007-08 Final Budget
Appropriation							
Salaries and Benefits	-	2,172,363	3,107,617	3,455,000	4,316,484	4,320,477	3,993
Services and Supplies	-	2,267,354	6,018,225	7,552,553	6,964,637	4,905,182	(2,059,455)
Central Computer	-	2,342	24,961	46,981	46,981	48,694	1,713
Travel	-	-	-	-	-	228,600	228,600
Equipment	-	39,110	107,737	-	-	-	-
Transfers	-	143,961	226,483	228,556	257,317	264,929	7,612
Total Exp Authority	-	4,625,130	9,485,023	11,283,090	11,585,419	9,767,882	(1,817,537)
Reimbursements	-	(1,542,435)	(2,400,494)	(3,231,740)	(3,718,767)	(3,187,271)	531,496
Total Appropriation	-	3,082,695	7,084,529	8,051,350	7,866,652	6,580,611	(1,286,041)
Operating Transfers Out	-	29,455	-	-	-	-	-
Total Requirements	-	3,112,150	7,084,529	8,051,350	7,866,652	6,580,611	(1,286,041)
Departmental Revenue							
Current Services	-	-	49,549	75,000	50,000	75,000	25,000
Other Revenue	-	43,634	11,334	95,400	4,000	5,000	1,000
Total Revenue	-	43,634	60,883	170,400	54,000	80,000	26,000
Operating Transfers In	-	-	297,000	550,000	550,000	-	(550,000)
Total Financing Sources	-	43,634	357,883	720,400	604,000	80,000	(524,000)
Local Cost	-	3,068,516	6,726,646	7,330,950	7,262,652	6,500,611	(762,041)
Budgeted Staffing					48.0	47.0	(1.0)

Salaries and benefits of \$4,320,477 fund 47.0 budgeted positions and are increasing by \$3,993. Budgeted positions decreased as a result of the deletion of 4.0 Employment Services Specialists positions due to the diminishing resources available from the State to the Workforce Development Department (WDD) for services the Department of Economic Development provides. In addition, the department is requesting the addition of 1.0 Economic Development Assistant Administrator and four (2.0 FTEs) part-time student interns. This resulted in a net decrease of 1.0 budgeted position.

Furthermore, the department is also requesting the reclassification of four positions: a Secretary I (range 35) to an Executive Secretary II (range 45); an Education Specialist (range 45) to an ECD Specialist I (range 59); Automated System Analyst I (range 53) to Business Systems Analyst I (range 57); and a ECD Specialist II (range 61) to an Economic Development Communications Officer (range 61) to correctly define the job descriptions for the duties of these positions. These reclassifications are anticipated to cost \$49,190.



Services and supplies of \$4,905,182 include costs for sponsorships and real estate related trade shows, advertising, special events, public relations, international trade, film and tourism, and economic and real estate related studies. The decrease of \$2,059,455 is primarily due to the elimination of one-time funding of \$1,302,000 related to the 4th District Special Economic Development Project, the 1st District Community Projects and the High Desert Business/Employment Resource Center. Advertising and sponsorships decreased by \$528,855 to primarily absorb the reduction in reimbursements due to administrative costs being overestimated in 2007-08. In addition, travel costs of \$228,600 were moved into a new appropriation unit.

Travel is a new appropriation unit for 2008-09. The amount budgeted of \$228,600 reflects anticipated travel costs in the areas of private mileage, air travel, hotel, car rental and conference fees for this budget unit. These costs were based on departmental analysis of past travel related expenses previously budgeted in the services and supplies appropriation unit.

Transfers of \$264,929 generally relate to rent charges paid to the Department of Workforce Development (WDD) for the department offices on 215 N. "D" street and the West Valley Business Resource Center.

Reimbursements of \$3,187,271 represent payments from other departments primarily for business services provided by the department to WDD and administrative activities provided by the Economic Development Agency. Reimbursements decreased by \$531,496 due to the reduction in available funding for business services in the amount of \$266,156 and a decrease of \$265,340 for administrative costs.

Departmental revenue of \$ 80,000 decreased by \$524,000 primarily related to the elimination of one-time funding of \$550,000 from the Department of Public Works for the 4th District Special Economic Development Project.

PERFORMANCE MEASURES				
Description of Performance Measure	2006-07 Actual	2007-08 Projected	2007-08 Estimated	2008-09 Projected
Percentage increase of businesses served through referrals, seminars attendance, site selection assistance, and small business assistance (3,273 businesses).	N/A	New	7%	5%
Percentage of completed loan applications processed from submittal to close of escrow within 10 weeks.*	N/A	80%	N/A	N/A
Percentage increase of number of job opportunities identified through the assistance of the business retention division. The data is provided by WDD and TAD (24,103 jobs in 2006-07).	0%	5%	5%	5%
Percentage increase of leads/inquiries by businesses about locating in the county (205 in 2006-07).	N/A	20%	30%	30%
Percentage increase of on-the-job training contracts (17 in 2006-07).	N/A	40%	40%	5%
Percentage of global business partners established and actively engaged with the County of San Bernardino (20 in 2006-07).	N/A	New	100%	100%
Percentage of individuals that are provided with customized international training services (60 in 2006-07).	N/A	New	477%	16%
Number of business delegates participating in trade missions led by the department.	N/A	New	20	40
Percentage increase of editorials/articles (58 editorials/articles in 2006-07).	123%	25%	40%	25%
Percentage increase of television, radio, podcast and production coverage (9 broadcasts in 2006-07).	200%	25%	25%	25%
Percentage increase of conferences sponsored (15 conferences in 2006-07).	275%	25%	6%	6%
Percentage increase of website hits (amended).**	N/A	N/A	N/A	30%
Percentage increase of companies assisted (3,500 companies in 2006-07).	N/A	5%	10%	5%
Percentage that the High Desert Employment and Business Resource Center is operational.	N/A	100%	10%	25%
Percentage increase of businesses served by the High Desert Employment and Business Resource Center.***	N/A	30%	0%	30%
Percentage increase in the creation of reports and maps to be used for business attraction and retention.****	N/A	10%	N/A	N/A
Percentage increase of vouchers issued in the San Bernardino Valley Enterprise Zone (2,400 businesses within the SBVEZ).	N/A	N/A	N/A	25%

* As of July 1, 2007, the loan program has been officially placed on hold to review, update and modify the program; therefore, there are no numbers to report. Once the program is modified and re-activated, a new baseline will be established.

** This measurement was revised to include all department website hits in an effort to better reflect overall marketing efforts. A new software program has been purchased to analyze and calculate reports for the website and will assist in establishing a baseline.

*** This policy consists of one-time funding and ongoing funds for the operation of the High Desert Employment and Business Resource Center. ED staff is currently analyzing and developing project alternatives and will be making specific recommendations to the 1st District Supervisor's Office for expenditure of these funds based on business needs in the region.

**** The decision to fill the proposed Geographic Information Systems Technician II position was placed on hold at the request of LAFCO who was funding 50% of the position. This request to postpone the recruitment was due to LAFCO's need to complete certain projects in the pipeline first and the fact that there was a lack of qualified candidates for the job. New measurements will be established if and when this position is filled.

